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Foreign Crops and MARKETS



VOLUME 57

NUMBER 10

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FOR RELEASE

MONDAY

SEPTEMBER 6, 1948

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Issued by the OFFICE OF FOREIGN AGRICULTURAL RELATIONS
UNITED STATES DEPARTMENT OF AGRICULTURE, WASHINGTON, D.C.

L A T E N E W S

The Chinese Government has imposed a temporary, 3-months, embargo on the export of cotton yarn and cloth and on edible oils and oilseeds, effective September 1, according to recent information from Shanghai. The order applies to all Chinese ports and may be extended beyond the specified period. The stated purpose is to increase supplies for domestic use and to stabilize prices.

Exporters holding letters of credit or approved export allocations before September 1 will be allowed to export their cargo within the prescribed period.

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Canada's price of wheat for domestic use was increased effective August 1 to \$2.05 per bushel, basis No. 1 Northern, less freight from Fort William/Port Arthur or Vancouver. That set-up from the former price of \$1.55 per bushel is in line with the increase fixed in the price of wheat shipped to the United Kingdom during the current season. All local sales of wheat from country elevators whether for feed, seed, or milling are to be made at the new price.

In order to protect consumers from higher bread prices, the Dominion Government has instructed the Wheat Board to refund 45 cents per bushel on sales of western wheat to processors for direct human consumption. In addition to that subsidy, price ceilings have been re-imposed on all flour or bread made wholly or partly from western Canadian wheat. Maximum prices are not to exceed prices in effect on July 31.

The initial advance to producers remains unchanged at \$1.55 per bushel, the price in effect since April 1 for grain in store at Fort William/Port Arthur or Vancouver. Profits made on sales by the Wheat Board are to be pooled and distributed among growers when the present contract with the United Kingdom ends in July, 1950.

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Only about 17,000 acres are planted to mustard in the United Kingdom this year, compared with 36,000 acres in 1947 and 25,000 in 1946. No quantitative estimate is available for the 1948 crop, but it will be much below the 1947 output of 26,880,000 pounds, on account of smaller acreage and damage by rain, according to a report from the American Embassy in London.

No brown mustard seed is expected to be available for export from the 1948 crop and only limited quantities of yellow mustard seed. The domestic industry will suffer no hardship, however, as manufacturers are holding sizable stocks acquired from the large 1947 production. The bulk of the 1948 crop has already been contracted for.

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(Continued on Page 186)

COMMODITY DEVELOPMENTS

GRAINS, GRAIN PRODUCTS AND FEEDS

INDOCHINA INCREASES RICE EXPORTS

Rice exports, excluding derivatives, from French Indochina during the first half of 1948 equalled 193 million pounds compared with 109 million pounds during the corresponding period of the year before, according to trade publications. Despite this increase, the rice trade of that country thus far in 1948 is estimated at less than 15 percent of prewar average exports. Singapore, French West Africa, Reunion Island, and France were the most important destinations of the first-semester 1948 deliveries.

FRENCH INDOCHINA: Rice exports, January-June, 1948,
with comparisons

Classification	Average	1945	1946	1947	January-June	
	1936-40				1947	1948
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
Paddy.....	346	1	-	2	0	a/
Cargo.....	171	4	-	6	4	10
Whole.....	1,272	82	-	98	81	134
Broken.....	1,345	a/	-	43	24	49
Flour.....	219	-	-	-	-	-
Total b/	3,250	87	160	149	109	193

a/ Less than 500,000 pounds. b/ In terms of milled, excluding in 1947 and 1948 derivatives (non-edible) which may include some flour. Paddy is converted to terms of milled at 70 percent.

Compiled from trade publications.

AUSTRALIAN RICE ACREAGE MAY SHOW SMALL GAIN

The 1948-49 Australian acreage to be planted to rice next October may be slightly larger than in the preceding year, according to a report received from the American Consulate General at Sydney. A small reduction is forecast in the principal growing Murrumbidgee area, but this is expected to be offset by the planting of about 3,500 acres in the Wakool district.

The 1947-48 planted acreage approximated 26,000 acres compared with 32,000 acres sown the year before. Production of 2,489,000 bushels (73 million pounds milled) was down from 2,780,000 bushels (81 million pounds) in 1946-47. The record acreage and production of 1943-44 equalled 41,000 acres and 3,747,000 bushels (110 million pounds) harvested.

Exports during the first 11 months of the 1947-48 July-June fiscal year equalled 56 million pounds compared with 56 million pounds shipped during the 12 months of 1946-47. The principal destinations of consignments from July 1947 through May 1948 were (million pounds): Malaya, 25; British Pacific Islands, 23; other Pacific Islands, 5; and other countries, 3. Under a war-time regulation which has been in effect since August 1942, all of the domestic crop is exported abroad, with the exception of a certain amount issued to hospitals, invalids, and Asiatics domiciled in Australia.

TOBACCO

PRICES FOR INDIAN FLUE-CURED TOBACCO LOWER: 1948-49 PRODUCTION MAY BE CURTAILED

Prices to growers for India's record 1947-48 flue-cured tobacco crop have averaged below prices for the 1946-47 crop, and are expected to discourage further expansion in production. Some observers maintain that lower prices offered by United Kingdom importers may result in some curtailment of production, according to a report from the Office of the Agricultural Attache at the American Embassy in New Delhi.

Prices to growers for 1947-48 crop leaf ranged from 4 cents per pound for extreme low-grade leaf to 36 cents per pound for top quality, and averaged substantially below prices received for 1946-47 crop. F.o.b. prices for the top three grades of re-dried flue-cured strips have declined since January 1948 as a result of lower prices offered by United Kingdom importers.

In addition to the pessimism on the part of growers, resulting from lower prices, there is also some concern of the effect that the recent agreement between United Kingdom manufacturers and Southern Rhodesian growers will have on the market for Indian flue-cured leaf in the United Kingdom. Under the referenced agreement, United Kingdom manufacturers have agreed to purchase 70 percent of Southern Rhodesia's increased flue-cured production, which, it is believed, might replace a part of the United Kingdom's import formerly obtained from India. Consideration has been given to the conclusion of a similar agreement between United Kingdom manufacturers and Indian growers. The Indian Government plans to send a representative to the United Kingdom to observe the market and facilitate the marketing of Indian tobacco as much as possible.

FRANCE'S TOBACCO PRODUCTION AND IMPORTS REDUCED: CONSUMPTION INCREASED

France's 1948 tobacco crop is forecast at about 7 percent below its record 1947 crop. Imports are also expected to be lower than in 1947, but consumption is forecast at 20 percent above that in 1947, according to a report from the American Embassy in Paris.

The reduction in the 1948 tobacco crop is attributed to a decrease in acreage which apparently occurred from the elimination of a premium prices formerly paid to growers who maintained or increased production.

The 1948 tobacco crop is forecast at 106,923,000 pounds, compared with a revised 1947 record crop of 115,062,000 pounds and the average prewar production of about 72,000,000 pounds. Officials of the French Tobacco Monopoly, which controls the supply of leaf and manufacture of tobacco products in France, apparently feel that the country's tobacco acreage, which is about 60 percent above the prewar level, has been expanded sufficiently and that in the future the Monopoly's efforts should be concentrated on improving yields per acre and quality of leaf. In this connection, premium prices for high-quality leaf have been continued.

FRANCE: Area, yield per acre and production of tobacco,
1948 with comparison

Year	Area	Yield per acre	Production
	1,000		1,000
	<u>acres</u>	<u>Pounds</u>	<u>pounds</u>
Average			
1930-39	42.5	1,695	72,216
1946	60.7	1,481	89,932
1947	72.0	1,597	115,062
1948 a/	66.7	1,606	106,923

a/ Preliminary.

From French Tobacco Monopoly.

The leaf import requirement of the Monopoly in 1948 has been estimated at about 60,000,000 pounds, which is considered necessary, together with France's record 1947 crop, to supply consumption requirements in 1948. Imports during the 5 months, January through May, however, indicate that imports may be substantially below the estimated requirements. During the January through May period, imports totaled only 10,908,000 pounds, made up over 5,000,000 pounds from Latin American countries, nearly 5,000,000 pounds from Oriental-type tobacco producing countries and most of the balance from Algeria. Imports from the United States during the period totaled only 22,000 pounds, which reflect France's shortage in dollar exchange. In 1947, 13,622,000 pounds of the country's total import of 68,486,000 pounds came from the United States. In 1946, imports from the United States were 29,163,000 pounds, of an 81,985,000 pound total, and in 1945, they were 51,588,000 pounds, of a 62,117,000 pound total.

Consumption of leaf in the manufacture of tobacco products in France in 1948 is forecast at 154,000,000 pounds, as compared with an estimated 1947 consumption of 129,000,000 pounds and the average annual prewar consumption of about 132,000,000 pounds. The increased consumption from prewar is attributed to increased demand in France and supplies for the Saar region of about 4,400,000 pounds, which formerly came from Germany. Unless imports from June through December 1948 greatly exceed those of the first months of the year, the large 1948 consumption will result in a substantial reduction in stocks of leaf held by the Monopoly.

PHILIPPINE 1948-49 TOBACCO CROP MAY APPROACH
PREWAR; EXPORTS CONTINUE AT LOW LEVEL

The 1947-48 tobacco crop in the Philippine Islands is substantially lower than previously reported. It is anticipated that prices for the crop will be relatively high and that the strong demand from local buyers may result in plantings for the 1948-49 season sufficient to produce a crop approaching the prewar output. Exports of leaf and cigars have been limited and are expected to continue at a low level, but domestic consumption of products containing Philippine leaf is increasing substantially, according to a report from the American Embassy in Manila.

An official estimate of the 1947-48 Philippine crop has not been released, but the trade now believes that the crop will total only about 30,000,000 pounds, as compared with an early season forecast of 44,000,000 pounds. The 1946-47 crop was estimated at 39,000,000 pounds and prewar production averaged about 75,000,000 pounds annually. The decrease in 1947-48 production is attributed to typhoons in December 1947 which damaged seedbeds and early plantings, and dry weather and insect damage in the spring months of 1948. The crops in the important producing districts of the Cagayan valley and Northern Luzon were both reduced by the unfavorable conditions.

The restricted 1947-48 production, together with relatively low stocks of old-crop leaf has resulted in continued high leaf prices and it is anticipated that plantings for the 1948-49 crop will approach the prewar level. With normal weather conditions, the crop would be sufficient to correct the relatively low stock position and increase export supplies.

Trade sources estimate the current stocks of leaf of 1946-47 and earlier crops at about 11,000,000 pounds, of which all but about 500,000 pounds is held by manufacturers in Manila and other large cities. The consumption of domestic products has increased rapidly during recent months. The current rate of leaf consumption by large manufacturers is approximately 15,000,000 pounds annually, and it is estimated that use on farms and by small manufacturers is at the rate of about 9,000,000 pounds annually.

Exports of leaf during 1947 were substantially above 1946 but were far below the prewar rate. They totaled 10,254,000 pounds as compared with 1946 exports of 3,614,000 pounds and the 1935-39 average of 37,400,000 pounds. Shortage in dollar exchange in Spain, France, and French possessions, which have been normally large users of Philippine leaf, is expected to result in exports in the next few years continuing substantially below the prewar level. Exports of cigars are also far below the prewar level. The 1947 exports totaled 1,372,000 pieces, as compared with 1946 exports of 5,492,000 pieces and the average 1935-39 exports of over 200,000,000 pieces. Curtailed exports are attributed to high prices. It is reported that quotations of cigars in the low-price field to United States importers are approximately 25 percent above offers by importers.

Philippine imports of cigarettes, almost entirely from the United States, have continued at a high level, but restrictions in purchasing power, resulting from reduced prices for Philippine export commodities, is expected to cause some reduction. An import control law authorizing the Philippine President to fix quantitative quotas on non-essential and luxury articles became effective on June 30, 1948. There has been no indication as to the items which will be included in the non-essential and luxury class, but some observers believe that cigarettes might fall in this category and be subject to import quotas. Cigarette imports in 1947 totaled 9,192,000,000 pieces, as compared with 8,674,000,000 in 1946.

CANADIAN TOBACCO PRODUCTION LARGER

The first official estimate of Canada's 1948 tobacco production places the total crop at 126,681,000 pounds from 115,374 acres, compared with a revised estimate of 1947 production of 106,688,000 pounds from 125,627 acres. The estimates were released on August 24, 1948, by the Dominion Bureau of Statistics. The indicated increased production for 1948 results from an anticipated higher yield per acre. The per-acre yield in 1948 is forecast at 1,098 pounds per acre, compared with 852 pounds in 1947.

The 1948 production of flue-cured tobacco, which accounts for most of the total, is forecast at 103,826,000 pounds from 95,524 acres, compared with a revised estimate of 1947 production of 86,863,000 pounds from 103,694 acres. The 1948 production of Burley tobacco, the second most important type, is forecast at 13,200,000 pounds, compared with the 1947 crop of 12,640,000 pounds.

TROPICAL PRODUCTS

BRAZIL'S COFFEE EXPORTS AT HIGH LEVEL

Brazil's exports of coffee by volume during the first 6 months of 1948 are the largest for the corresponding period in any recent year. Preliminary data for January through June 1948 show that Brazil exported 7,845,000 bags of coffee (132 pounds each) compared with 6,550,000 and 7,651,000 bags during the corresponding months in 1947 and 1946.

Most of the increase was due to larger shipments to the United States which took 5,175,000 bags during the first half of 1948, as compared with 4,016,000 bags during the first half of 1947. Shipments to Europe of 2,017,000 bags were only 147,000 bags more than in the comparable period of 1947. Exports to Canada totaled 122,000 bags against only 18,000 bags during the first half of 1947. Other Western Hemisphere countries took only 282,000 bags compared with 409,000 bags during the first half of 1947.

Brazil's total 1948 coffee exports may materially exceed 1947 if exports continue at the high monthly average maintained so far this year. Brazil's current crop is the largest since 1940-41, and some coffee has been carried over from previous crops. According to one source, stocks of old-crop coffee amount to 5,550,000 bags, in addition to DNC holdings.

United States imports of Brazilian coffee during the remainder of 1948 probably will remain at the high level of the first 6 months, unless marked resistance to prices should develop on the part of United States importers. European countries appear to be in a position to import at least as much coffee during the second half of 1948 as they did during the first half of the year. A few European countries, which otherwise could import little or no coffee, will receive coffee financed with funds provided under the European Recovery Program.

BRAZIL: Exports of coffee, January-June 1948, with comparisons

	January-June			Annual	
	1948 1/	1947	1946	1947	1946
	1,000	1,000	1,000	1,000	1,000
	<u>bags</u>	<u>bags</u>	<u>bags</u>	<u>bags</u>	<u>bags</u>
United States	5,175	4,016	5,808	9,745	10,947
Canada	122	18	82	270	157
Other W. Hem.	282	409	420	839	897
Belgium-Lux.	434	296	290	816	737
Denmark	142	145	117	215	184
Finland	45	68	40	70	80
Germany	86	-	-	-	-
Italy	221	85	50	192	351
Netherlands	22	154	84	248	252
Norway	23	12	93	23	298
Sweden	140	259	253	542	612
United Kingdom	689	189	33	311	53
Other Europe	215	660	211	1,153	453
Other countries	249	239	170	406	484
Total	7,845	6,550	7,651	14,830	15,505

1/ Preliminary.

Official statistics of Brazil and Foreign Service reports.

LOWER PRICES AGREED UPON FOR
MADAGASCAR VANILLA BEANS

At a recent meeting between French Government officials and Madagascar colonial authorities, a plan was adopted which will drastically reduce prices for Bourbon vanilla beans, according to the American Consul in Tananarive. The plan is intended to revive American demand for Bourbon vanilla and thus restore Madagascar's principal source of dollar exchange.

The new official minimum prices for Bourbon vanilla beans are as follows (converted from kilogram to pound basis):

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The Government of India announced on August 28 that the ban on exports of certain varieties of cotton with a staple length of 13/16 inch and longer, in effect since December 1, 1947, will remain in effect indefinitely. Exports of shorter staples remain unrestricted.

Quality	New price	Former price, in effect since Oct. 1947 <u>1/</u>
	U.S. dollars	U.S. dollars
	per pound	per pound
50 percent firsts	4.99	7.71
25 percent firsts	4.54	7.26
Seconds down	4.31	7.03
Thirds down	4.08	6.80
Fourths down and cuts	3.40	(not set)

1/ Prices for Comoro Island beans were 23 cents a pound lower.

The new prices will be effective for vanilla beans produced in Madagascar, the Comoro Islands and Reunion Island, and will cover all exports from these territories and from metropolitan France to all foreign countries. A reduction of 5 percent from the franc equivalent of the new dollar prices will be allowed French vanilla merchants purchasing Bourbon beans in order to cover shipping costs, shrinkage, bank charges and commissions. The French Government will control re-exports from France to insure that all sales to foreign purchasers are made in accordance with the new prices.

JAMAICA'S GINGER ROOT PRODUCTION SLIGHTLY LARGER

The 1948 production of ginger root in Jamaica is estimated at 3,500,000 pounds which is slightly larger than the 1947 crop of 3,441,000 pounds, but smaller than the 1946 outturn of 3,889,000 pounds, according to a report from the American Consul General in Kingston. The crop is harvested from January through May with peak production in February and March.

Ginger production in Jamaica is practically all for export, as domestic consumption is negligible. Exports and production, therefore, are approximately the same. There is no carry-over from year to year as Jamaican growers and dealers do not store ginger more than 3 or 4 months on account of losses from insect infestation and deterioration due to high summer temperatures.

The United States, the United Kingdom, Canada, and Australia are the chief importers of Jamaican ginger. Some difficulty has been experienced in moving the entire production in recent years. Traditional prewar markets in the U.S.S.R. and Germany remain closed. The Netherlands and Sweden, however, took substantial quantities during 1947 and the first quarter of 1948. Jamaican ginger is considered excellent for grinding as a spice and has always been in demand for that purpose, rather than as a conserve. If necessary postwar trade adjustments are made, little difficulty should be encountered in disposing of normal production at satisfactory profits.

CUBA'S 1948 GINGER ROOT PRODUCTION ABOUT EQUALS 1947

Production of ginger root in Cuba during 1948 is estimated at 450,000 pounds (fresh basis), compared with 465,000 pounds in 1947. Production may be greater, however, if acreage planted in 1946, but not harvested that year or in 1947, is harvested this year. Harvesting of 1946 plantings during the current season is contingent upon obtaining machinery from the United States for extraction of ginger oil, according to a report from the American Embassy in Habana.

Ginger in Cuba is produced mainly for export. The United States and Canada have purchased the entire export supply for a number of years. During the first quarter of 1948, however, Canada imported no ginger at all from Cuba and the United States took only 21,000 pounds. In November 1947, the Canadian Government prohibited imports of ground, unground, and preserved ginger from dollar areas, including Cuba. Recently it was reported that Canada had lifted the prohibition on unground ginger and had established an import quota for preserved ginger. China is now in a position to supply considerable ginger, and the United States is obtaining part of its requirements from that source, particularly preserved ginger.

In Cuba, the main planting season for ginger is in March and April, although some planting occurs from May through July. The principal harvesting season is in October and November, but small quantities of out-of-season ginger may be harvested the year around. Production in Cuba increased greatly during World War II when sources of supply in other parts of the world were either entirely cut off or shipping facilities very limited. During 1935-39, production of ginger (fresh basis) averaged only 12,000 pounds, compared with a peak production of 475,000 pounds in 1946. Probably some curtailment in production will now be necessary, unless Cuba can meet competition from other areas, principally China, and develop additional markets for its ginger.

CUBA: Exports of ginger root, 1/ fresh and in syrup, averages 1935-39 and 1940-44, annual 1945 through 1947 and January - April 1948

Period	Fresh			In Syrup 2/		
	United States	Canada	Total	United States	Canada	Total
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
Averages:						
1935-39.....	11	0	11	0	0	0
1940-44.....	142	1	143	57	0	57
1945.....	154	4	158	338	0	338
1946.....	214	81	295	99	77	176
1947.....	174	54	228	109	76	185
1948						
Jan. - April ...	21	0	21	0	0	0

1/ Declared net weights converted from kilograms to pounds.

2/ Contains about 82 percent ginger root.

Source: American Embassy, Habana.

FRUITS, VEGETABLES AND NUTSFIRST ESTIMATE OF
ARGENTINE CITRUS

The first official estimate of the 1947-48 production of oranges (including tangerines) produced in Argentina is estimated at 12,009,000 boxes, according to a report by Eugene V. Harris, Assistant Agricultural Attache, at Buenos Aires.

The 1947-48 estimate is 12 percent above the 10,689,000 boxes produced during 1946-47 and 13 percent below the 1940-45 average of 13,818,000 boxes. Argentina's orange production for 1947-48 is indicated to be 9,158,000 boxes, 19 percent above the 1946-47 production of 7,685,000 and 10 percent below the 1940-45 average of 10,187,000.

Tangerines, estimated at 2,850,000 boxes, show a decrease of 5 percent below the previous year's crop at 3,005,000 and 21 percent below the 5-year average of 3,630,000 boxes.

Lemons, estimated at 1,343,000 boxes, are about 200,000 boxes more than the previous crop.

Grapefruit is indicated at 128,700 boxes 29 percent above the 100,000 for the previous year and 4 percent below the average of 134,300 boxes.

FATS AND OILSARGENTINA'S LINSEED
STOCKS LARGE

The outstanding feature of the vegetable oil situation in Argentina as reported by Arthur T. Thompson, Agricultural Attache, American Embassy at Buenos Aires, is the large accumulation of linseed oil and the building up of large flaxseed stocks. Processors have installed additional storage tanks, and stocks of linseed oil have probably exceeded 175,000 short tons. Some crushing plants have been forced to close temporarily because of the lack of oil storage. Stocks of flaxseed for crushing were estimated (August 1) to be about 220 tons.

Stocks of edible oils, estimated at 11,000 to 13,000 short tons, were at a low level. Loss to the sunflower crop, because of bad harvest weather and shattering, has been only partially offset by an improved condition of peanuts, cottonseed, and rapeseed. The export surplus of edible vegetable oils from the current crop is expected to be around 70,000 to 72,000 tons.

Linseed Oil.

The outturn of the 1947-48 flaxseed crop, estimated at 31.5 million bushels (See Foreign Crops and Markets, May 10, 1948), appears now to have been nearer 33 million bushels. No estimates of plantings for the 1948-49 crop are available, but the area seeded to flaxseed is expected to be about the same as for the past year. The official statement that

the government preferred sunflower to flax production in most areas where both crops can be grown and the continuation of last year's flaxseed price of 30 pesos per 100 kilos in bags on track Buenos Aires, were expected to discourage flax acreage. The effect of this may have been offset by weather and field conditions unfavorable for planting other crops.

Linseed oil production in 1947 is reported at 290,000 tons. Exports during the year were 235,000 tons. Available supplies for crushing in 1948 would suggest an output of about 243,000 tons of oil, which with the relatively large stock on hand the first of this year would make 240,000 tons available for export. If all available flaxseed were crushed, exports could be 55,000 tons more.

ARGENTINA: Exports of vegetable oils, January-June 1948

Country	Linseed Oil	Edible Oils
	<u>Short tons</u>	<u>Short tons</u>
Belgium.....	725	4,160
Bolivia.....	66	-
Czechoslovakia.....	853	251
Chile.....	12	2,350
Cuba.....	3	-
France.....	9,922	-
Netherlands.....	364	-
Peru.....	7	147
Poland.....	109	-
Spain.....	1,004	-
Sweden.....	10	-
South Africa.....	7	-
Switzerland.....	12	-
United Kingdom.....	26,691	11,015
Others.....	23	37
Total.....	39,808	a/ 17,960
a/ Rapeseed oil	2,048	
Cottonseed oil	2,930	
Peanut oil	398	
Sunflower oil	12,584	

SOURCE: Resumen Mensual de Exportation de Frutos del Pais.

Exports of linseed oil during the first 6 months of this year were only about 40,000 tons. The volume of oil in storage has been variously estimated at 150,000 to 180,000 metric tons. All sales for export are through the I.A.P.I. and it is understood that the asking price f.o.b. in bulk, Buenos Aires, has been reduced from 2.23 pesos per kilo (30.1 cents per pound) to 2.15 pesos per kilo (29 cents). Rumors of further price reductions were unconfirmed.

Edible Oils

Production of edible oils during 1947 was reported as 245,500 tons of which 185,677 were sunflower oil and the remainder principally cottonseed oil, peanut oil, rapeseed oil and small quantities from other oil-seeds.

Late season damage to the sunflower crop reduced the harvest from the second official estimate of about 1,000,000 tons. Later official estimates are not yet available, but a crop of about 910,000 tons is now expected, which with no change in January 1 stocks, would provide approximately 800,000 tons for processing during the calendar year.

The 1948 peanut crop has improved since first reports were received but is believed to be considerably less than in 1947 and may provide 65,000 tons of shelled peanuts for processing compared with 81,000 tons crushed in 1947.

Cottonseed production is expected to be larger than in 1947. The outturn of rapeseed is expected to exceed earlier estimates and should be approximately as large as last year.

Despite the reduction from early estimates of the sunflower crop and the current low level of edible-oil stocks, about 11,000 to 13,000 tons, Argentina should have for export from the current harvests approximately 72,000 tons of all types of edible vegetable oils. Small lots of edible oils are reported to have been sold at prices of about 33.8 cents per pound f.o.b. Buenos Aires.

MALAYAN COPRA, COCONUT-OIL EXPORTS DOWN FROM PRECEDING MONTHS

Malayan exports of copra and coconut oil were considerably smaller in June than in the 2 preceding months. Copra shipments amounted to 3,232 long tons compared with over 5,000 in both April and May. January-June exports thus totaled 18,205 tons, which is more than double the entire quantity exported in 1947. Coconut-oil shipments came to only 1,734 tons compared with 5,600 and 3,100 in April and May, respectively. The January-June total was 23,929 tons, slightly more than the 19,400 for the same period of 1947.

(Table on following page)

MALAYA: Copra and coconut oil exports and imports,
June 1948 with comparisons
(Long tons)

Country	Copra distribution				
	Average:	1947 a/		January - May	June
	1935-39:	1947 a/	1947 a/	1948 a/	1948 a/
<u>Exports</u>					
United Kingdom.....	57,750:	6,119:	2,344:	746:	129
Other European Countries..	118,490:	- :	- :	14,002:	3,103
Other British Possessions..	3,242:	- :	- :	- :	-
Hong Kong.....	- :	999:	- :	24:	-
Other Countries.....	12,209:	- :	- :	201:	-
Total.....	191,691:	7,118:	2,344:	14,973:	3,232
<u>Imports</u>					
British Possessions.....	10,617:	582:	191:	770:	549
Netherlands Indies.....	105,500:	51,877:	18,216:	34,172:	6,792
Other Countries.....	2,134:	147:	125:	23:	161
Total.....	118,251:	52,606:	18,532:	34,965:	7,502
Country	Coconut-oil distribution				
	Average:	1947 a/		January - May	June
	1935-39:	1947 a/	1947 a/	1948 a/	1948 a/
<u>Exports</u>					
United Kingdom.....	8,857:b/	27,239:	10,762:	3,233:	50
Other European Countries..	2,522:	643:	- :	8,744:	590
Other British Possessions..	24,011:	255:	106:	51:	5
Burma.....	c/ 3,907:	6,674:	3,253:	1,229:	291
Hong Kong.....	c/ 1,391:	5,763:	2,443:	5,228:	594
Netherlands Indies.....	2,557:	2,357:	1,069:	115:	1
Other Countries.....	3,864:b/	234:	16:	3,595:	203
Total.....	47,109:	43,165:	17,649:	22,195:	1,734
<u>Imports</u>					
British Possessions.....	16:	242:	- :	160:	10
Netherlands Indies.....	328:	1,853:	90:	2,419:	71
Other Countries.....	229:	50:	- :	- :	-
Total.....	573:	2,145:	90:	2,579:	81

a/ Preliminary. b/ Revised. c/ 2 year average.

Compiled from Official Sources.

ARGENTINA EXPORTS MORE TALLOW AND CATTLE FAT

Argentina exported 7,853 short tons of tallow and cattle fat during June, the largest monthly shipments since the 10,508 tons of February 1948. January-June exports totaled 34,645 tons, indicating a 17 percent increase over the same months of 1947. The United Kingdom received 90 percent of the June shipments.

ARGENTINA: Tallow and cattle-fat exports, June 1948 with comparisons
(Gross weight)

Country of desintation	Average:	1947	January-June	June
	1935-39:	1947	1947	1948 a/
	Short	Short	Short	Short
	tons	tons	tons	tons
North America:				
Canada.....	7	-	-	6,380
Cuba.....	377	15	16	1,767
Mexico.....	11	659	656	-
Others.....	9,935	799	455	503
Total.....	10,330	1,473	1,127	8,650
South America.....	1,914	4,807	3,526	1,242
Europe:				
Belgium.....	2,974	1,596	1,038	468
France.....	937	1,238	1,223	3,886
Italy.....	2,082	3,481	1,341	13
Netherlands.....	7,875	2,988	2,625	553
Sweden.....	1,695	2,513	2,513	-
Switzerland.....	1,133	1,202	1,042	481
United Kingdom.....	17,903	19,374	5,632	16,505
Others.....	18,063	10,904	4,468	2,201
Total.....	52,662	43,296	19,882	24,107
China.....	102	72	67	-
Soviet Union.....	-	4,508	4,508	-
Others.....	232	589	380	646
Grand total.....	65,240	54,745	29,490	34,645

a/ Preliminary.

Compiled from official sources and consular reports.

NETHERLANDS EXPANDS OILSEED PLANTINGS

The Netherlands 1948 oilseed acreage exceeds that of the past 2 years as a result of larger plantings of flax and rapeseed. Incomplete reports show that 43,700 acres are devoted to flax compared with 32,800 in 1947. This is the largest flax area since 1942 when 55,800 acres were sown.

Approximately 31,000 acres of rapeseed are reported compared with only 1,700 a year ago. Average prewar plantings came to about 4,300 acres, and the record of 120,000 was reached in 1944.

Other oilseed crops show reduced plantings. Poppy-seed acreage dropped from 14,000 in 1947 and a high of 19,000 in 1943 to 10,000 this year; caraway seed from 10,000 acres last year to 4,600 in 1948; and mustard seed from 4,800 to 2,100 acres.

ARGENTINE LARD EXPORTS CONTINUE SMALL IN JUNE

Argentine lard exports during June amounted to 1,752 short tons compared with 1,675 in May, thus bringing the January-June 1948 total to only 4,947 tons compared with 12,606 for the first half of 1947. The United Kingdom continues to be the principal recipient.

ARGENTINA: Lard exports, June 1948 with comparisons. (Gross weight)

Country of destination	Average:		January - June :		June	
	1935-39:	1947 :	1947 :	1948 a/:	1948 a/	
	Short	Short	Short	Short	Short	
	tons	tons	tons	tons	tons	
North America:						
Cuba.....	-	-	-	496	496	
Netherlands West Indies....	-	583	583	1	-	
Others.....	-	141	141	-	-	
Total.....	-	724	724	497	496	
South America.....	685	3,283	2,751	25	-	
Europe:						
Hungary.....	-	2,389	2,389	446	-	
Italy.....	127	4,234	2,595	-	-	
United Kingdom.....	6,673	3,821	3,755	3,809	1,227	
Others.....	919	585	236	170	29	
Total.....	7,719	11,029	8,975	4,425	1,256	
Others.....	163	157	156	-	-	
Grand total.....	8,567	15,193	12,606	4,947	1,752	

a/ Preliminary.

Compiled from official sources and consular reports.

CHINA'S SUMMER OILSEED CROPS SHOW INCREASE

Summer oilseed crops in China (excluding Manchuria) show substantial increases over the 1947 harvests despite smaller acreages, according to reports from the American Consulate General at Shanghai. It is possible, however, that the typhoon and floods which have occurred in several parts of the country since the release of these estimates may have reduced the average yields.

The first estimate places 1948 soybean production at 222 million bushels from 11 million acres, an increase of 10 percent over last year's crop and a decrease of less than 1 percent from the 1931-37 average. The Province of Shantung, the leading producer, accounts for over 24 percent of the current output.

Peanut production is tentatively estimated at 3,311,000 short tons from 3,881,000 acres, representing increases of 14 and 10 percent over the 1947 harvest and the 1931-37 average, respectively. Should this estimate materialize, this would be China's largest peanut crop since prewar years. Shantung is also the leading peanut producer, accounting for 20 percent of the 1948 total.

Despite continued civil disturbances in the important sesame-producing areas of Honan, Hopeh, and the northeast provinces, current output is expected to exceed that of a year ago and the prewar (1931-37) average. The first forecast is for 1,084,000 tons compared with 855,000 in 1947.

Although the 1948 cottonseed crop has not been estimated, it is expected to show a slight increase over the harvest of a year ago, which amounted to 1,196,000 tons (commercial production).

It is likewise too early to forecast the tung-oil output, but the Shanghai trade believes that the quantity will at least equal the 99,000 tons realized last year. The 1946 outturn was 77,000 tons, whereas in prewar years an average of approximately 132,000 tons was produced. Tung-oil exports amounted to 89,000 tons in 1947 compared with only 39,000 in 1946. Trade statistics indicate that about 66 percent of the 1947 exports, including shipments from Hongkong, went to the United States.

China's tea-seed oil, tentatively estimated at 23,000 tons, is better than last year's poor outturn but still below the average of about 28,000 tons. Domestic demand for tea oil in the early part of 1947 was heavier than usual due to the extensive use of this product for mixing with other edible oils of higher marketing value. This practice was soon reduced to a minimum when tea-oil quotations steadily rose due to increasing demand from Europe.

CHINA a/ Summer oilseed production, 1948 with comparisons

Year	Soybeans	Peanuts	Sesame	Cottonseed <u>b/</u>
	<u>1,000 bushels</u>	<u>1,000 short tons</u>	<u>1,000 short tons</u>	<u>1,000 short tons</u>
Average				
1931-37	223,870	3,020	938	1,683
1946 <u>c/</u>	196,610	3,039	955	1,078
1947 <u>c/</u>	201,322	2,917	855	1,196
1948 <u>d/</u>	222,047	3,311	1,084	<u>e/</u>

a/ Excluding Manchuria. b/ Commercial production. c/ Revised.

d/ First estimate. e/ Not available.

American Consulate General, Shanghai.

In contrast to China's summer oilseed crops, rapeseed (winter crop) production of 3,522,000 tons (second estimate) is 8 percent smaller than the peak production of 1947. The current crop is, however, almost 30 percent larger than the 1931-37 average. Very little, if any, rapeseed is expected to be available for export during 1948 since domestic demand for rapeseed oil continues high.

COTTON AND OTHER FIBERCOTTON PRICE QUOTATIONS
ON FOREIGN MARKETS

The following table shows certain cotton-price quotations on foreign markets, converted at current rates of exchange:

COTTON: Spot prices in certain foreign markets, and the U.S.
gulf-port average

Market location kind, and quality	Date 1948	Unit of weight	Unit of currency	Price in foreign currency	Equivalent U.S. cents per pound
<u>Alexandria</u>		: Kantar			
Ashmouni, Good.....	9-2	: 99.05 lbs.	: Tallari	: 1/ 55.50	: 46.31
Ashmouni, F.G.F.....	"	: "	: "	: 51.00	: 42.55
Karnak, Good.....	"	: "	: "	: 98.00	: 81.77
Karnak, F.G.F.....	"	: "	: "	: (not quoted)	
<u>Bombay</u>		: Candy			
Jarila, Fine.....	"	: 784 lbs.	: Rupee	: 511.00	: 19.66
Broach, Fine.....	"	: "	: "	: 676.00	: 26.01
Kampala, East African..	"	: "	: "	: (not available)	
<u>Karachi</u>		: Maund			
4F Punjab, S.G., Fine....	"	: 82.28 lbs.	: "	: 83.00	: 30.43
289F Sind, S.G., Fine....	"	: "	: "	: 88.00	: 32.27
289F Punjab, S.G., Fine..	"	: "	: "	: 106.00	: 38.87
<u>Buenos Aires</u>		: Metric ton			
Type B.....	"	: 2204.5 lbs.	: Peso	: 2/3160.00	: 42.68
<u>Lima</u>		: Sp. quintal			
Tanguis, Type 5.....	8-31	: 101.4 lbs.	: Sol	: (not quoted)	
Pima, Type 1.....	"	: "	: "	: 290.00	: 43.99
<u>Recife</u>		: Arroba			
Mata, Type 4.....	9-2	: 33.07 lbs.	: Cruzeiro	: (not quoted)	
Sertao, Type 5.....	"	: "	: "	: 170.00	: 27.97
<u>Sao Paulo</u>					
Sao Paulo, Type 5.....	"	: "	: "	: 189.00	: 31.09
<u>Torreon</u>		: Sp. quintal			
Middling, 15/16".....	"	: 101.4 lbs.	: Peso	: 177.50	: 3/
<u>Houston-Galveston-New</u>					
Orleans av. Mid. 15/16"	"	: Pound	: Cent	: XXXX	: 30.87

Quotations of foreign markets reported by cable. U.S. quotations from designated spot markets.

1/ Good Ashmouni, quoted 55.00 on August 26, should be 55.50 or 46.31 U.S. cents per pound.

2/ Nominal.

3/ Official exchange rate temporarily not available.

LIVESTOCK AND ANIMAL PRODUCTS

FRENCH MEAT

PRODUCTION SAGS

Commercialized meat production in France amounting to 222,222 metric tons in the second quarter of 1948 was slightly smaller than the 224,000 metric tons commercialized in the corresponding quarter of 1947, according to a recent report submitted by Harry R. Zerbel, Assistant Agricultural Attache, American Embassy, in Paris. The officially-estimated total production during the same period of 1948 at 336,266 metric tons was 9 percent less than the 367,500 metric tons produced in the second quarter of 1947.

Meat production totaled 11,768 metric tons in April, 108,918 in May, and increased slightly to 115,580 in June. These totals are considerably below the average monthly production of 122,500 metric tons, during the second quarter of 1947. Included in the total production figures for the second quarter of 1948 were 73,504 head of fat hogs and 3,691 head of cattle marked under the terms of livestock-fattening contracts. In addition, net imports added 9,542 metric tons to the meat supply, and stocks of frozen meat were reduced by 14,223 metric tons during the quarter. Commercialized meat supplies thereby amounted to 254,247 metric tons and total meat supplies were estimated at 365,490 metric tons during the second quarter of 1948.

Exports totaled only 1,638 metric tons and consisted mainly of canned or prepared meat products shipped in small quantities to many countries. Imports, however, amounted to 11,180 metric tons, the bulk of which was frozen meat from Argentina.

The meat problem continued to worry the Government during the spring and summer of 1948. Beginning August 9, nearly all government controls were relaxed in an attempt to improve the meat supply to French cities after frequent use of priority purchases and other government controls in July had reduced commercial supplies. First results of a free market were unsatisfactory as prices soared.

Large feedgrain imports are planned for the year ended June 30, 1949, in an attempt to revive livestock production and to discourage the feeding of wheat. Meat production during that year is forecast at 1,560,000 metric tons, but the reluctance of farmers to part with livestock when feed supplies are comparatively abundant may make the attainment of this goal difficult.

NETHERLANDS LIVESTOCK NUMBERS
SHOW LITTLE GAIN

The May 1948 census of livestock for the Netherlands shows fewer total cattle and fewer dairy cows but slightly more hogs than were reported a year ago. Although three years have elapsed since the end of World War II, cattle and hog numbers in that country are only slightly above the inventories reported at the war's end. The inability to show improvement in numbers this year over a year ago is largely because of

the unfavorable pasture and feed situation which accompanied the severe drought in the summer of 1947. The drought resulted in a heavier rate of slaughter in the summer and fall of 1947 than would have resulted under favorable weather conditions. Thus, the upturn in livestock numbers that could have been expected in 1948 failed to materialize.

NETHERLANDS: Number of Hogs, Cattle and Dairy Cows in May, 1948 with Comparison

ITEM	AVERAGE 1936-40	1945	1946	1947	1948
	Thousands	Thousands	Thousands	Thousands	Thousands
Hogs	1,493	769	1,040	855	871,000
Total Cattle	2,693	2,277	2,410	2,367	2,313
Dairy Cows	1,504	1,188	1,279	1,326	1,324

Office of Foreign Agricultural Relations

NEW ZEALAND DAIRY OUTPUT DOWN

New Zealand's export gradings of butter in June and July, 1948, amounted to 3,673,000 pounds, compared with 5,239,000 pounds for the same 2 months of 1947. Cheese gradings for export also declined in these 2 months, being 2,814,000 pounds this year, compared with 3,373,000 pounds last year. For the first 7 months of 1948, export gradings of butter totalled 116,282,000 pounds, and those of cheese, 88,168,000 pounds, a decline of approximately 7 percent in the output of the former commodity, and 10 percent in the latter.

U.K. DOMESTIC WOOL PRICES MAINTAINED

As a part of the program to maintain returns to sheep raisers, the United Kingdom's Ministry of Agriculture and Fisheries has made the following announcement regarding 1948-49 reserve prices for United Kingdom fleece and skin wools:

"The Agricultural Departments of the United Kingdom have fixed the general level of reserve prices for United Kingdom fleece and skin wool on a basis similar to that obtaining for the period January-June, 1943.

"These limits will be operative from the commencement of the 1948-49 selling season, i.e., September, 1948, and in the absence of exceptional or unforeseen circumstances will remain unchanged throughout the season. Notice will be given before any change is made in the general level of reserve prices. Apart from exceptional cases individual reserve prices will not be altered."

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